

**MONTANA PUBLIC SERVICE COMMISSION
AGENDA NO. 12-09-18**

Date Published: September 13, 2012

For Work Week Commencing: September 17, 2012

Commission Meeting: September 18, 2012, 9:00 a.m.

General Introduction *This agenda is the Commission's agenda for the work week designated. In the latter part of each week (generally, Thursday by 2:00 p.m.) prior to the work week to which an agenda pertains, the agenda is posted on the public information bulletin board at the Commission offices, deposited in the mail directed to all persons who have properly requested notice by mail, emailed to all persons who have properly requested notice by email, and posted to the Public Service Commission's worldwide web site located at <http://psc.mt.gov>.*

Place of Meetings *All meetings are held at the Commission offices, 1701 Prospect Avenue, Helena, Montana, unless otherwise noted.*

Live webcast *Unless otherwise noted on this agenda, all Commission meetings held during regular business hours that are noticed on this agenda will be webcast live via the audio and video feed links on the PSC website at <http://psc.mt.gov> (go to "Agendas & Meetings" then "Audio/Video Archives"). The audio feeds of meetings are also archived at the same website location.*

Inquiries *General inquiries concerning this agenda and subscribing to notice by mail may be made to Kate Whitney at (406) 444-3056. She may refer inquiries to another person within the agency.*

Accommodation for Persons with Disabilities *Anyone needing an accommodation for physical, hearing, or sight impairment in order to attend a scheduled meeting should contact the Commission secretary at (406) 444-6199 sufficiently prior to the meeting to allow accommodations to be made.*

9:00 a.m. Weekly Scheduling (Commission Conference Room – No Web Audio Feed)

9:30 a.m. Business (Bollinger Room)

Public Comments

Action Items All items identified below are for action at the Commission business meeting.

1. Approval of Commission Minutes (Judy)

Approval of the Commission Minutes for the week of September 11, 2012

2. Big Sky Gas, LLC. N2012.8.88 (Joel)

On August 22, 2012, the Commission received the application of Big Sky Gas, LLC. for a license to supply natural gas in Montana. Big Sky Gas intends to serve all customer classes. Staff has reviewed this application and recommends approval. Probable Motion: Approve the application of Big Sky Gas for a natural gas supplier license in the state of Montana

3. Qwest Corporation d/b/a CenturyLink D2008.6.64 (Mike)
Qwest d/b/a CenturyLink / XO Communications Services, LLC

CenturyLink has filed for approval with this Commission an amendment to the existing interconnection agreement between Qwest Corporation d/b/a CenturyLink and XO Communications, LLC in Docket No. D2008.6.64. The amendment adds terms and conditions relating to ICC VoIP traffic in addition to revised call signaling rules effective December 29, 2011. This amendment was voluntarily negotiated by the parties involved. Probable Motion: Move to approve the amendment to the interconnection agreement between Qwest Corporation d/b/a CenturyLink and XO Communications Services in Docket No. D2008.6.64.

4. Qwest Corporation d/b/a CenturyLink D2008.4.33 (Mike)
Qwest d/b/a CenturyLink / Bandwidth.com CLEC, LLC

CenturyLink has filed for approval with this Commission an amendment to the existing interconnection agreement between Qwest Corporation d/b/a CenturyLink and Bandwidth.com CLEC, LLC in Docket No. D2008.4.33. The amendment adds terms and conditions relating to ICC VoIP traffic in addition to revised call signaling rules effective December 29, 2011. This amendment was voluntarily negotiated by the parties involved. Probable Motion: Move to approve the amendment to the interconnection agreement between Qwest Corporation d/b/a CenturyLink and Bandwidth.com CLEC in Docket No. D2008.4.33.

5. Qwest Corporation d/b/a CenturyLink D2001.1.7 (Mike)
Qwest d/b/a CenturyLink / McLeodUSA Telecommunications Services, Inc.
d/b/a PAETEC Business Services d/b/a Windstream Communications

CenturyLink has filed for approval with this Commission an amendment to the existing interconnection agreement between Qwest Corporation d/b/a CenturyLink and McLeodUSA Telecommunications Services, Inc. d/b/a PAETEC Business Services d/b/a Windstream Communications in Docket No. D2008.6.64. This amendment was voluntarily negotiated by the parties involved. Probable Motion: Move to approve the amendment to the interconnection agreement between Qwest Corporation d/b/a CenturyLink and McLeodUSA Telecommunications Services, Inc. d/b/a PAETEC Business Services d/b/a Windstream Communications in Docket No. D2008.6.64.

6. MDU Resources Group, Inc. D2012.8.90 (Eric)

On August 23, 2010, MDU Resources Group, Inc. applied for authority to issue over a two-year period \$1,000,000,000 of long-term financing in the following amounts: (1) the issuance of not to exceed \$1,000,000,000 of the Company's Common Stock; (2) the issuance of not to exceed \$150,000,000 of the Company's Preferred Stock and/or Preferred Stock A; (3) the issuance of not to exceed \$350,000,000 of the Company's New Senior Notes, Other Secured Debt Securities, Unsecured Debt Securities, and/or guaranties issued from time to time; (4) the issuance of not to exceed \$350,000,000 of stock purchase contracts and (5) the issuance of not to exceed \$350,000,000 of hybrid securities such as convertible or unconvertible preferred securities, putable or callable instruments. The proceeds of these issuances will be used for funding the Company's capital requirements, for the refunding of its outstanding obligations, for corporate development including the acquisition of businesses or business assets and for other general corporate purposes. Probable Motion: Approve MDU Resources Group, Inc.'s application to issue securities for a period ending December 31, 2014.

7. Mountain Water Co. D2009.12.154 (Leroy)

On September 4, 2012, Mountain Water Co. (MWC) submitted its annual tracking adjustment pursuant to the State Drinking Water Revolving Fund recovery tracker approved by the Commission in Order No. 7059 in Docket D2009.12.154. Because of the small size of this year's total tracking adjustment (a decrease of \$3,394), MWC requests that the Commission allow MWC to deviate from the tariffed tracking adjustment procedure and instead defer the rate change and reflect the change in loan costs in the 2013 annual tracker filing. Probable Motion: Move to approve Mountain Water's request to defer the rate change to next year and reflect the change in loan costs in the 2013 annual tracker filing.

8. South Lake Taxi TN2550 (Nickie)

Dennis F. Orr Sr. d/b/a South Lake Taxi, Pablo, Montana requests permission to continue the lease of PSC No. 9479 to Ann L. and James J. Gieber d/b/a Annie's South Lake Taxi, Polson, Montana for a six month period, September 17, 2012 to March 17, 2013. Probable Motion: Approve the continuation of the lease of PSC No. 9479 as requested.

Class B - Persons within the City of Polson, Montana and between points and places within a seventy (70) mile radius thereof. Limitations: 1) Transportation in limousine service is prohibited. 2) Transportation must originate or terminate in Lake County. 3) Carrier is prohibited from picking up passengers in Flathead County. 4) Transportation is limited to ten (10) passengers or less. 5) Carrier is prohibited from transporting passenger to or from medical facilities.

Work Sessions All items identified below are for Commission discussion or action on the day designated.

1. N2012.4.36 – Montana Eligible Telecommunications Carriers (ETCs) – 2012 ETC Certification to the FCC and USAC for 2013 Federal high-cost support. (9/18/12)
2. N2012.8.82 – PSC Initiated – Operator Service Provider rate caps – To Request approval of rate caps for the period of October 1, 2012 to September 30, 2013. (9/18/12)

Other Meetings

Weekly Scheduling, Review of Monthly Calendars, and Docket Status Updates (if requested by a Commissioner).

Notice Items All items identified below are noticed for public participation purposes. Unless otherwise stated in the text of the notice, the items will be action items on the next following agenda or a subsequent agenda and participation may be had by submitting written comments to the Public Service Commission, 1701 Prospect Avenue, P.O. Box 202601, Helena, Montana, 59620-2601, within 5 calendar days following publication of this agenda. Public comments on a noticed matter may also be submitted within the required time through the PSC's web-based comment form at <http://psc.mt.gov/Consumers/comments>. Comments should reference the docket number of the matter.

1. Energy West Montana D2010.9.90 (Neil)

On September 11, 2012 the Commission received a filing from Energy West Montana (EWM) to demonstrate compliance with Final Order 7132c. Compliance involves verification that the negotiated natural gas delivery service contract between EWM and Montana Refining Company currently meets the requirements specified in Final Order 7132c, and that any changes to current rates are approved by the Commission.

2. Big Mountain Water Company D2010.1.9 (Leroy)

On September 13, 2010, the Commission issued Order 7077h in D2010.1.9 granting Big Mountain Water Company (BMWC) the authority to implement rates as agreed in the Stipulation that was entered into between BMWC and the Montana Consumer Counsel (MCC). These rates were to be phased in with a total revenue requirement of \$196,832 beginning with the end of the contested case proceedings until October 1, 2012. At that time, the total revenue requirement would increase to \$226,695. BMWC is requesting a deferral of that increase until October 1, 2013. MCC does not oppose the request.

Protective Orders – Notice Items The Commission has received the following requests for protective order pursuant to ARM 38.2.5007. The Commission will rule on the requests no earlier than 10 days after the publication date of this agenda. Comments on the requests may be submitted at any time prior to ruling. Copies of these requests may be viewed on the Commission's web site at <http://psc.mt.gov>

1. NorthWestern Energy D2012.5.49 (Dennis/Jason)

On September 5, 2012, NorthWestern Energy (NorthWestern) filed a Motion for a Protective Order to govern access to certain information to be filed in this docket. Specifically, NorthWestern seeks to protect its "business strategy for future market purchases," including information that "details specific percentages of forecasted electric supply that will be purchased by NorthWestern and the timelines on which the purchases are to occur," as well as "'hard targets,' which are trigger points at which NorthWestern proposes to purchase supply in corresponding percentages for future delivery."

2. NorthWestern Energy D2012.5.49 (Dennis/Jason)

On September 10, 2012, Powerex Corporation ("Powerex") filed a Motion for Protective Order to govern access to certain information to be filed in this

docket. Specifically, Powerex seeks to protect “work products and Customized Products consisting of (i) information responsive to PSC-007(e) that includes documents and correspondence between Powerex and NWE and attachments to such correspondence concerning third-party replacement regulation service after the outage of the DGGS, and (ii) information responsive to PSC-017(b) including correspondence, attachments to such correspondence and any documents relating to bids received, including draft agreements, in response to NWE’s 2011 RFP and any subsequent RFP for regulation service.”

3. NorthWestern Energy D2012.5.49 (Dennis/Jason)

On September 5, 2012, Pratt & Whitney Power Systems, Inc. (“PWPS”) filed a Supplemental Motion for Protective Order to govern access to certain information to be filed in this docket. Specifically, PWPS seeks to protect correspondence and attachments to such correspondence responsive to PSC-006(c), including “documentation NWE possesses, correspondence between NWE employees, or correspondence between NWE employees and others related to operation problems of DGGS before the outage occurred” and PSC-006(d), consisting of “documentation NWE possesses, correspondence between NWE employees and others related to the cause of the DGGS outage, either before or after the outage.” PWPS also seeks to protect materials responsive to PSC-008(a), (b) and (c) consisting of “any documentation NWE possesses, correspondence between NWE employees, or correspondence between NWE employees and others related warranty and insurance coverage of DGGS.” The request excludes documents related to the PWPS turbine warranty which have previously been disclosed to the PSC.

Protective Orders – Information Items The Commission has issued the following protective orders. These orders may be challenged pursuant to ARM 38.2.5008. Copies of these orders may be viewed on the Commission’s web site at <http://psc.mt.gov>

Information Items All items identified below are for information only.

New Filings Received in Past Week

D2012.9.95 - Mountain Water Company - Application for Power Cost Tracking Adjustment

D2012.9.96 - Montana-Dakota Utilities Co - Application to Implement a Gas Cost Tracking Adjustment to Rate 88 eff. October 2012